

**APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF
NEVADA**

Date of filing in State Engineer's Office JUN 23 1998

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUN 23 1998 under 64251-E

The applicant **Battle Mountain Gold Company**, hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is **Surface Iron Canyon**
2. The amount of water applied for is **1.0** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Environmental Surface Water Clean-Up.**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **See Attached Exhibit "A"**
6. Place of Use **E½ SW¼ NW¼ Section 23 T31N R43E MDM**
7. Use will begin about **January 1** and end about **December 31**, of each year.
8. Description of proposed works **Construct pipeline to treatment plant, treat water and discharge to natural drainage.**
9. Estimated cost of works **\$50,000.00**
10. Estimated time required to construct works **1 month**
11. Estimated time required to complete the application of water to beneficial use **1 year**
12. Remarks: **This application is for collecting low quality surface water in contact with historic water rock facilities. Water is collected in a pipeline and is conveyed to a water treatment facility. The treatment process is a semi-portable lime treatment plant. After the water is treated, it is discharged and returned to the Iron Canyon drainage. This surface water management project is part of an ongoing interim closure program in cooperation with NDEP, Bureau of Mining Regulation and Reclamation, Bureau of Water Pollution Control and BLM.**

By **s/Richard W. Arden, Agent**
950 Industrial Way
Sparks, Nevada 89431

Compared dl/bk dl/cms

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This environmental permit is issued pursuant to the provisions of NRS 533.4375 and is further issued subject to existing rights on the source.

It is understood that the amount of water herein granted is only a temporary allowance for pollution control as required by orders or letters issued by the Nevada Division of Environmental Protection. The rights will cease upon the termination of clean up activity as determined by the Nevada Division of Environmental Protection.

A suitable measuring device will be installed to measure the flow from the Butte Canyon and Iron Canyon drainages before entering the treatment plant facility. The measuring device will be maintained to record monthly measurement of the flow. Records of the measurement will be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

Within 30 days after the completion of the project, the permittee shall notify the State Engineer and all diversionary structures shall be removed.

The State retains the right to regulate the use of water granted herein at any and at all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, but not to exceed 723.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

Proof of completion of work shall be filed before:

Application of water to beneficial use shall be filed on or before:

Proof of the application of water to beneficial use shall be filed on or before:

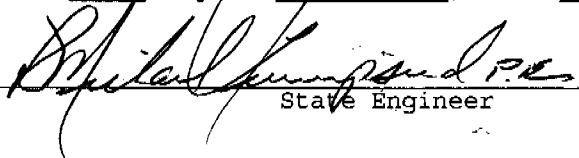
Map in support of proof of beneficial use shall be filed on or before:

* The right will cease to exist upon termination of clean up activity as determined by the Nevada Division of Environmental Protection.

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office,

this 18th day of September, A.D. 1998


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ENVIRONMENTAL

EXHIBIT "A"

#5.

- (1) SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 22 T31N R43E MDM or at a point from which the East $\frac{1}{4}$ corner of said Section 22 bears S56° 53' 00" E, a distance of 2,214.34 feet.
- (2) SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 22 T31N R43E MDM or at a point from which the East $\frac{1}{4}$ corner of said Section 22 Bears S 85° 00' 47" E, a distance of 1,325.02 feet.
- (3) NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 22 T31N R43E MDM or at a point from which the East $\frac{1}{4}$ corner of said Section 22 bears N 72° 09' 17" E, a distance of 1,101.74 feet.
- (4) SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 23 T31N R43E MDM or at a point frm which the West $\frac{1}{4}$ corner of said Section 23 bears S 13° 38' 10" W, a distance of 114.23 feet.

